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Conformance or evasion: Employment legislation and employment practices in self-contained tourist resorts

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Conformance or evasion: Employment legislation and employment practices in self-contained tourist resorts

Abstract

Purpose: The purpose of this paper is to investigate how resort managers respond to employment legislation (Law No.02/2008).

Design/methodology/approach: The qualitative case study data from seven self-contained tourist resorts in the Maldives were used to investigate the managerial responses to employment legislation.

Findings: Resort managers' responses ranged from passive compliance to active resistance, with decoupling through opportunism as the dominant strategy used to circumvent the legislation. Some human resource management (HRM) practices emerged from resort managers' interactions with external stakeholders and employees. Strategic responses and HRM practices were driven by a search for legitimacy or efficiency and sometimes both. The findings show that there are differences between strategic responses and HRM practices by organisational subfield, local resorts and international hotel chains. The resorts' market orientation also influenced resort managers' responses and HRM practices.

Research limitations/implications: The findings of this paper have limitations because it was limited to a single industry/sector and to a particular piece of legislation. However, it demonstrates the complexity of the relationship between institutional context and HRM.

Originality/value: This paper shows that responding to employment legislation entails a high level of interplay between the institutional environment and HR actors, and between stakeholders (e.g. employees) and HR actors. It demonstrates the difficulty of reconciling institutional requirements with the preferences of different stakeholders and organisational interests. HR actors actively make sense of institutional requirements and modify HRM practices to accommodate stakeholders' varying perspectives and preferences. This suggests that in countries such as the Maldives, uneven institutional coverage (e.g. incomplete employment legislation) allows room for organisations to innovate - for better or worse.

Disciplines

Business

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Abstract

Using qualitative case study data from seven self-contained tourist resorts in the Maldives, this study investigates how resort managers respond to employment legislation (Law No.02/2008). Resort managers' responses ranged from passive compliance to active resistance, with decoupling through opportunism the dominant strategy used to circumvent the legislation. Some HRM practices emerged from resort managers' interactions with external stakeholders and employees. Strategic responses and HRM practices were driven by a search for legitimacy or efficiency and sometimes both. The findings show that there are differences between strategic responses and HRM practices by organisational subfield, local resorts and international hotel chains. The resorts' market orientation also influenced resort managers' responses and HRM practices.

Key words: *Employment Law; Maldives; industrial relations; hospitality industry; resorts*

Introduction

Studies of human resource management (HRM) and employment relations (ER) in multinational corporations (MNCs) have primarily adopted a culturalist, and more recently, an institutional perspective (Almond et al., 2005; Gunnigle et al., 2015; Vaiman and Brewster, 2014). Most have focused on how elements of the institutional context such as employment laws constrain organizational practices (Mayson and Barrett, 2017; van Gestel and Nyberg, 2009). However the institutional environment is not always restrictive. HR managers can create leeway in selecting HRM practices as a response to the institutional environment (Barrett et al., 2014; Boon et al., 2009; Oliver, 1997). HR managers' role in interpreting the institutional environment and implementing HR strategies in response to institutional forces has not received much attention (Watson, 2004) and requires further theoretical development and empirical illustration (van Gestel and Nyberg, 2009).

Comparative institutional analysis has focused on the differences between first world institutional archetypes and how these affect the making and remaking of formal rules (Morgan and Hauptmeier, 2014) and, consequently, HRM practices. However, this stream of research has largely examined mature economies (McPherson, 2008; Parry and Tyson, 2009; Vaiman and Brewster, 2014), ignoring differences between developed and developing countries (Brewster and Mayrhofer, 2012; Budhwar and Debrah, 2009). There is a dearth of literature on HRM in the context of small developing economies such as the Maldives, despite these countries' fluid institutional arrangements and the alternative perspectives they offer for understanding how institutional organisational interactions shape HRM practices (Gunnigle et al., 2015; Rupidra and McGraw, 2011).

Accordingly, this paper addresses the following research questions: (1) how does employment legislation affect HRM practices in Maldivian resorts? (2) how do resort managers respond to the legislation? (3) what motivates them to adopt specific responses, and (4) how do strategic responses and HRM practices vary between resorts, e.g. between international hotel chains and local resorts? This paper addresses these questions using

qualitative case study data from seven self-contained tourist resorts in the Maldives, thereby shedding light on a context that so far lacks adequate academic investigation. Its theoretical framework is institutional theory, which is well suited to analysing how institutional forces such as employment legislation affect, and are affected by, organisations (Burbach and Royle, 2014; Holm, 2014).

The paper is structured as follows. We first briefly review relevant literature on institutional theory, strategic choice, sensemaking and HRM practices. We then discuss the study's research methods and present our findings. We conclude by discussing the findings, their implications, limitations of the study and recommend future research directions.

New institutionalism and HRM

Institutional theorists argue that organisational practices are shaped by the institutional environment (Barley and Tolbert, 1997) and that organisations in the same field have homogeneous structures and practices (DiMaggio and Powell, 1983). The organisational field is defined as “those organisations that, in the aggregate, constitute a recognised area of institutional life: key suppliers, resource and product consumers, regulatory agencies, and other organisations that produce similar services or products” (DiMaggio and Powell, 1983, p.148). These authors contend that homogeneity in organisational structures and practices results from three main isomorphic processes – coercive, mimetic and normative.

“Isomorphism is a constraining process that forces one unit in a population to resemble other units that face the same set of institutional conditions” (DiMaggio and Powell, 1983, p.149). Coercive isomorphism, a central focus in this paper, results from formal and informal pressures (DiMaggio and Powell, 1983) which organisations perceive as force, persuasion or invitation to collude (Meyer and Rowan, 1977), and which cause them to align their behaviour to fulfil their role as societal constituents (Meyer and Rowan, 1977) or to gain legitimacy. Coercive mechanisms include influence from social partners (e.g. trade unions and work councils), and government, including via employment law. As any new law strengthening employee rights will affect HRM practices, organisations may need to change their HRM policies and practices in response (Harcourt et al., 2010; Tsai, 2010; Najeeb and Barrett, 2016). Consequently, HRM practices in organisations that belong to the same organisational field become similar over time (DiMaggio and Powell, 1983).

The ideas in the preceding discussion have been criticised for their assumption that organisations are passive recipients of readily available “scripts” provided by government or other institutional carriers (Barley and Tolbert, 1997). DiMaggio and Powell (1983) argue that institutional environments are not “iron cages” but rather “may be expected to exercise ‘strategic choice’ in relating to their institutional environments and responding to institutional pressures” (Scott, 1991, p.70). More recent institutional research informed by the strategic response perspective aims to understand how individuals function within organisations, and investigates how institutional and industrial pressures shape individual organisational actors' choices (Burbach and Royle, 2014).

Strategic responses to institutional pressures

Strategic choice, defined as “the process whereby power-holders within organisations decide upon courses of strategic action” (Child, 1997, p.45), focuses on powerful organisational actors, often top management. These actors’ choices are strategic because they enable the organisation to relate to its environment, set standards of operating performance against which economic constraints must be evaluated, and determine the organisation’s structures. These choices are influenced by institutional pressures (Child, 1997).

Oliver (1991) argues that, to protect their interests, organisations choose from five broad strategic responses to institutional pressures to conform: *compliance*, *compromise*, *avoidance*, *defiance* and *manipulation* (a continuum from passive conformance to active resistance). Compliance means full adherence to the pressures. Compromise emerges where there are conflicting institutional demands and expectations. Avoidance includes hiding non-conformity under a facade of ritual compliance. Defiance tends to occur when the organisation’s internal interests “diverge dramatically from external values” (Oliver, 1991, p.157). Oliver (1991) also highlights possible determinants of an organisation’s strategic choice, including the cause (why), constituents (who), content (what), control (how), and context (where) that pressure organisations. Organisations select their response according to the type of institutional pressure and the types of resources – financial, reputational – that their constituents supply. Oliver’s (1991) typology of five strategic responses embraces fifteen possible tactics (see Table 1).

INSERT Table 1 HERE

Some scholars argue that when faced with regulatory demands (e.g. requirements of employment legislation), decoupling (see Table 1) is the most likely organisational response (Edelman and Patterson, 1991). Decoupling, sometimes called organisational hypocrisy (Krasner, 1991), is “a situation where compliance with external expectations is merely symbolic rather than substantive, leaving the original relations or practices within an organisation largely intact and unchanged” (Han and Koo, 2010, p.31).

According to Paauwe (2004), active agency determines organisations’ HRM choices. Management is the most prominent decision-maker in organisations (Paauwe and Boselie, 2003). In Maldivian resorts, the resort management team (owners, general managers, HR managers and line managers) are the prime HR actors (Najeeb, 2013), so they are the focus of this study. HR actors and employees tend to have different values, goals and interests (Gunningle et al., 2015) and may therefore differ in their strategic responses. Discrepancies between institutionalised rules and situational demands for resources can encourage agency. While strategic responses are often driven by competition, Boon et al. (2009, p.504) argue that “active agency is the most important driver of the strategic responses to institutional pressures”. This is reflected in Boon et al.’s. (2009) typology of organisations’ institutional fit: deviant, conformist or innovative. According to this typology, “an innovative response reflects a choice for active innovative development in balancing competitive and institutional pressures, a deviant response reflects active resistance, and a conforming response reflects a neutral or reactive response” (Boon et al., 2009, p.496). Gaps between institutionalised rules and situational demands for resources (tensions and contradictions) can create room for actors to engage in innovative changes or institutional entrepreneurship (Saher and Mayrhofer, 2014).

The strategic choice perspective helps explain variations within an organisational field (Oliver, 1991) as human agency relates to the strategic choices organisations make to

conform or differentiate themselves from competitors. Organisations do not necessarily choose the most effective and efficient practices despite the promise of gaining competitive advantage (Barrett et al., 2014). But achieving a balance between conformity (similarity) and differentiation from their competitors (Boon et al., 2009; Mellahi, 2013) is imperative, as becoming too similar or different could affect their competitive advantage (Barrett et al., 2014).

Gooderham et al. (2006) argue that understanding the interpretative role of HR actors is important to understanding organisations' responses to institutional pressures. Actors can read legislation and policies in different ways to legitimise their actions (Mayson and Barrett, 2017). They can align organisation policies and practices to the legislation (van Gestel and Nyberg, 2009) but, because the law can always be interpreted (Parry and Tyson, 2009), simple compliance is but one option among many. In international hotel chains surrounded by inter and intra-organisational institutions and MNC networks, HR managers may gain legitimacy by deriving their responses to changes in employment laws from these institutions and networks (Gunnigle et al., 2015; Rupidara and McGraw, 2011). They can also deflect, reinterpret or reform legislation by mobilising political, financial, organisational, cultural and discursive sources. Managers can thus be considered gatekeepers, interpreters and judges of the most appropriate HRM responses and practices flowing from the institutional field.

Different interpretations of employment legislation can be based on different rationalities or logics (van Gestel and Nyberg, 2009), including the instrumental-rational view, which reflects a managerial, goal-driven perspective (efficiency), and a value-driven rationality (legitimacy) which reflects moral and political ideals (Paauwe, 2004; Holm, 2014). Three philosophies may shape organisational responses: basic compliance because it is the law, moral justification, and business needs or utility. If they lack a good business reason or a justification for high costs, managers may pay lip service rather than fully commit to the law (Parry and Tyson, 2009). Most research finds the goals of efficiency and operational effectiveness to be the main drivers in adopting specific responses (Adam-Smith et al., 2003; Holm, 2014; Parry and Tyson, 2009).

The preceding discussion on the role of active agency assumes a rather instrumental and rational form of agency, implying that actors are well informed of choices and that they will accordingly make logical and strategic choices within institutional constraints. However, one could ask: 'how do actors become aware of these constraints?' Therefore, there is a need to explain the role of HR actors in relations to organisations' strategic choices in terms of how and under what conditions particular kinds of strategic response emerge. This would also help answer the question of how and why organisations might adopt particular institutional fits. Drawing on Weick et al., (2005), Mayson and Barrett (2017) argue that the concept of sensemaking might explain not only what HR actors and stakeholders do but also why and under what conditions they do it.

Sensemaking is defined as "the interplay of action and interpretation, where people seek to understand and act on their experiences in complex environments and, in doing so they enact the circumstances in which their actions are meaningful" (Mayson and Barrett, 2017, p.194; Weick et al., 2005). As sensemaking is useful in explaining how actors construct and reconstruct meanings in environments where ambiguous and imperfect information is the norm, we will apply the concept of sensemaking along with strategic choice theory and institutional theory to explain gain insight into how HR actors in tourist resorts respond to employment law.

We now present the study's research context, methods and empirical data.

The legislation: Employment Act (Law No.2/2008)

In May 2008, the Maldivian Parliament passed the Employment Act 2008, the first general law governing employment relations and applicable to all employment sectors except the security forces. It imposed severe penalties for violations of its provisions on forced labour, unfair workplace discrimination, and the employment of minors. It also regulated various individual employment matters, the employment of foreign workers, and employment agency activities. Finally, it established an Employment Tribunal to adjudicate employment disputes and authorized the Labour Relations Authority (LRA) to improve the law's application by identifying legal loopholes. However, except for the requirement to create the LRA, a hybrid labour inspectorate and dispute resolution institution, the Act does not cover industrial relations (IR) more broadly. Although the Act gives responsibility for mediation and conciliation to the LRA and specifies the Employment Tribunal as a mechanism for resolving employment disputes, it does not mention work stoppage or strikes.

[INSERT Figure 1 HERE]

As presented in Figure 1, Najeeb (2014) identified design, content and implementation challenges of the Maldivian employment legislation. These challenges give HR actors freedom to respond to the legislation, providing a suitable context for investigating the impact of the legislation on HRM practices in Maldivian resorts.

Research setting

The research was conducted in seven self-contained resorts in the Maldives. Located in the Indian sub-continent, the Republic of Maldives consists of 1190 small coral islands of which about 200 are inhabited. Tourism is the life-blood for the Maldivian economy. In 2013, tourism contributed 27% to GDP, 17.3% to government revenue, and 70% of the country's foreign currency earnings (Maldives Tourism Arts Culture [MTAC], 2018). The resort sector is also one of the largest private sector employers, supporting 27,837 jobs or 14% of the country's labour market in 2013 (World Trade Organisation [WTO], 2016). Resorts provide 72% of tourism beds and primarily serve the high-end tourist market (see Table 2). By the end of December 2017, the Maldives had received 1,389,542 international tourists – three times its population (MTAC, 2018). European long-haul tourists accounted for 47% of tourist arrivals in 2017 making them the leading market generator, but Asian tourists were responsible for the highest growth (Zahir, 2016).

By the end of 2017, 135 resorts were in operation (MTAC, 2018). The resorts were self-contained and developed under the country's 'one island, one resort policy', based on the 'enclave tourism' philosophy. These resort islands are off-limits to the [indigenous] people unless they are employed at the resort (Najeeb, 2013). Thus only employees and guests are found in these resorts. In 2018, of the 135 resorts registered, 47% were operated by local companies, 19% by foreign companies and 34% by joint venture (local and foreign) companies (MTAC, 2018). As most resorts belong either to a local hotel group or an

international hotel chain, they operate as independent strategic business units, employing a largely independent management team.

Despite the sector's economic significance, there have been concerns over the lack of engagement of the local workforce in resorts. Local employees make up less than 50% of the resort workforce, and local women less than 3%. Notably, 51% of managerial and supervisory positions are held by expatriates (Najeeb, 2014). Average salary levels of local and foreign employees differ significantly. Attraction and retention of local employees has become a daunting challenge for resort owners. The attrition rate of local employees remains as high as 30% for most local resorts (Najeeb, 2013). When the Employment Act (Law No.2/2008) was first enacted in the Maldives, resort workers were excluded from Chapter 4 of the legislationⁱ. Nevertheless, following pressure from resort workers, the legislation was amended in 2008, providing workers with employment rights (Najeeb, 2014).

Research design, data collection and analysis

The research used a qualitative, interpretive and inductive research approach. An inductive approach is appropriate for exploring “exotic cultures, understudied phenomena, or very complex social phenomena” (Miles and Huberman, 1994, p.94). Institutional theory favours interpretive methods which can capture how organisational actors experience institutions, and the meanings actors apply to institutional practices (Holmes, 2014).

Seven resorts were selected: four locally owned and managed resorts and three belonging to international hotel chains, representing 7% of resorts in operation. Studying several resorts enabled us to capture detail and connect intra-organisational processes at the field level. Organisations were selected to reflect maximum variation in the field in terms of actors' roles, and organisational size and ownership. As access to organisations was granted on the condition of anonymity, pseudonyms are used to describe the resorts and participants. Background information on the seven resorts is presented below (see Table 2).

Insert Table 2 HERE]

Data was collected through semi-structured interviews, informal interactions with employees and managers (field observations), and contextual documents including company web pages, reports, strategy and policy documents, employee handbooks, HR best practice manuals, and posts in newspapers and blogs. This variety helped us uncover the gap between officially announced and actually prevailing practices. A total of 57 semi-structured interviews were held across all seven case organisations. Details of interviewees are presented in Table 3. The interviews aimed to elicit views and opinions from multiple perspectives. A range of stakeholders, employees and managers from different hierarchical levels and job categories were interviewed in order to capture a comprehensive picture of organisational and HR processes and strategic responses, and to corroborate views and perceptions. Interviews covered a substantial number of non-managerial employees, whose perspective is all too often absent from contemporary studies of work and employment.

[INSERT Table 3 HERE]

Most interviews lasted between 30 and 75 minutes. Interviews were conducted in English or Dhivehi (the local language of the Maldivian people), according to the interviewee's preference. Respondents were asked questions such as 'how would you describe the compliance of resorts' employment practices with laws and regulations?' Interviews in Dhivehi were transcribed verbatim and translated into English. Interview transcripts were read several times, and coded according to key themes. Interview evidence was cross-checked and compared with other data sources, including documentary evidence. This process of triangulation helped us understand actors' strategic responses and the resulting HRM practices, and also enabled us to develop each case independently and perform a within-case analysis (Miles and Huberman, 1994). Data from each case were coded and patterns were identified before the patterns were generalised across the seven cases (Eisenhardt, 1989). This allowed us to link cases to the strategic responses identified in the literature.

Strategic responses and managerial actions

The themes that emerged from the analysis of interview data include various forms of compliance, managerial interpretation of institutional pressure, negotiations with various stakeholders, and achieving legitimacy by establishing and maintaining reputation. These themes are presented below.

Responding to legislation through various forms of compliance

Managerial actions and strategic responses to the law demonstrated various forms of compliance, ranging from proactive and strategic compliance to passive, partial and ceremonial compliance.

When the law came into effect, some resorts took a proactive approach to conform completely to the legislative changes that were rolled out:

As a group, we are adjusting all our contractual procedures to meet the requirements of the Employment Act with the help of lawyers and by closely working with our employee committees. (SNM20, Resort G)

In the early stages of implementation of the legislation, resorts hired lawyers and HR professionals proficient in labour law to advise them on areas of the law which needed interpretation and clarification. Some resorts (B, C and F) developed education and communication programs to create awareness among employees about the legislation. While in some resorts these programs were just one-off events, Resort C continued the program by integrating it into the employee orientation program. Employees said the program helped them clarify their rights.

Managers in Resorts A, B, F and G also said they were relaxed about the legislation and had adjusted easily to it because their policies and procedures were already more or less in line with the legal requirements, or because the interests of organisations and legislative requirements coincided. The HR director of Resort A acknowledged that the resort found it easy to comply with provisions in the Employment Act which were consistent with the resort's best practices:

We are very happy to follow the due process as outlined by the law because it's in line with our best practices guidelines and our owners want to know the reason if any employee is terminated (HRM39, Resort A).

This suggests that the legislation does not act always as a source of coercive pressure.

But others found it challenging to accommodate legislative changes. As a RM commented, "We had a hard time to get adjusted to the labour law but finally, we did it" (SNM27, Resort E). However, despite the managers' stated commitment to complying with the legislation, it would seem that only 'lip service' has been paid to implementing it. Even managers who stated that they had no difficulty in complying with the law seem to have adopted a 'cherry picking approach', complying with laws they see as attractive and avoiding others.

Some resorts which initially made efforts to meet the requirements of the law appeared to have reverted to practices that were in place before the law came into effect. As a non-managerial employee of a local resort noted:

Some things did change at the time the law came into effect. For example, overtime allowance and pay for public holidays. But after some time things returned to the way they used to be (NME05, Resort C).

This suggests that the law might have influenced organisational policies but did not necessarily change organisational practices which were deeply rooted in the organisation's culture. The following comment from the general manager of the same resort reinforces this view:

It will take time to accept the law in its spirit. Because it requires time to orientate managers and employees and make them mentally ready to accept and exercise provisions in the law. (SNM30, Resort C).

Although research suggests that employment legislation tends to become socially embedded over time, the claims that both employees and employers would eventually come to terms with the content of the law or that the compliance would eventually be achieved seem to be yet another aspect of the rhetoric managers used to avoid compliance. At the time of interviews, the law had been in place for almost five years, so a clear narrative had had time to emerge.

The most common management response to the law appeared to be partial conformance in order to minimally relieve the pressure for compliance. For example, it is very clear in the law that Friday is a public holiday for Maldivians as Maldives is an Islamic country. However, rather than treating Friday as a public holiday some resort managements assigned employees reduced hours of work on Fridays. Managers justified this by saying there was no difference between working on Fridays and other days because resort workers were given days off according to a particular schedule.

Similarly, as the law requires resorts to grant paid annual leave to all employees, resorts follow it. However, employees' annual leave often became meaningless because they could not take leave when they wanted to. For example, November and December fall during the annual school holiday period, and civil servants usually opt to take leave then. However, as this is also the high season in resorts, resort workers are unlikely to be granted leave during this period. If an employee chose to go home for more than a week during this period, in

most cases he or she would have to resign. Moreover, some employees (for example, those working in guest relations) opted not to take leave during this time even if they were offered it because of the very high opportunity cost for them. As a Mr. Friday of a resort belonging to an international hotel chain pointed out:

We can't take leave during the season [November – February] or when the resort has high occupancy even if I am asked to go on leave. I am working here for tips, not for salary. If I take leave during the season I have to give up a huge amount of my earnings (NME44, Resort A).

Partial conformance is also evident in how resorts deal with employment contracts. Although resorts provided employees with written contracts, the contracts often did not meet the requirements set out in the law. Management sometimes incorporated clauses that favoured employer. As a non-managerial employee of a local resort reported:

We have a clause in the contract which says that under no circumstances can we disclose our dealings with management to the media. (MNE02, Resort C)

Most employment contracts were also written in English using highly technical jargon, making it difficult for some employees to understand the content of the agreement. As a Tourism Employee Association of Maldives (TEAM) executive explained:

You need a degree to understand your contract. Employees have no choice but to sign the contract as they won't get the job otherwise. But they don't understand what they are signing (EAM15).

Whereas some resort managements used employment contracts to silence employees, others used them to get rid of employees when they considered it necessary. As a line manager of a local resort stated:

The Employment Act made our job easier in terms of dealing with employees. We just need to put a clause in the contract about the conditions on which employees can be terminated. If they go against it, we can terminate them (LNM06, Resort C).

However, some managers and non-managerial employees believed that employment agreements protected employees.

Interpreting pressures from a managerial perspective

Ambiguous provisions in the law and the changing nature of the legislation leave room for different interpretations of the law. These ambiguities seem to be creating room for innovative strategic responses based on creative interpretation and redeployment for new purposes. HR actors in resorts appeared to be adopting a managerial perspective, interpreting provisions of the law to their advantage, contrary to the spirit of the legislation. For example, the provision on employee termination states that employment can be terminated forthwith provided that salary and benefits for the required period have been paid in lieu of notice (Article 25, Employment Act, 2008). Some managers interpreted this provision as free rein to terminate employees they considered unfit for the job. This seems to be the major reason that some resorts paid insufficient attention to selecting the best candidates during the recruitment process.

However, the Employment Tribunal's judgements on dismissal cases have increasingly favoured employees. In unfair dismissal disputes the Tribunal often asks employers to submit copies of relevant performance appraisals. Their judgements have indicated employee termination decisions should be based on performance appraisals even if the termination takes place within the probationary period. As a response, managers have started appraising employee performance well before any termination is made:

Appraisal is done to justify that the promotion is being given to the right person or, in the case of termination, to justify management's position in the Tribunal (NME03, Resort C).

Similarly, HR actors establish formal disciplinary and grievances procedures as a useful defence in case employees appeal against dismissal at the Tribunal. This exemplifies how HR actors use certain HR practices to legitimise their decisions. They are now savvy enough about the legislation to know how to avoid it and not get caught. Although employees can seek redress through litigation, in general employers have the advantage because they have considerable resources at their disposal. For employees, resorting to litigation is a high risk strategy that tends to undermine their future employment prospects.

HR actors also interpreted provisions of the law on working hours and break times from a managerial perspective. For example, the law requires employees to have a break of at least 30 minutes after working five consecutive hours. Employers are also required to give meal and prayer breaks. However, the law does not specify whether these breaks should be included or excluded when calculating working hours. Resort E exploits this provision by placing several breaks in between work schedules so that employees work extended hours without an overtime allowance.

Concerning interpretation of the legislation, HR actors often sought clarification from professional and social network sources such as managers in other resorts. As a HR Director who worked in an international hotel chain resort explained:

Yesterday the parliament amended the clause on the employment law regarding *Ramadan* bonus. So the question is, do we have to pay it for all hosts or just all Muslim hosts? So part of my responsibility in area resorts is to create some consistency between them. We ask around a kind of HR community and we email each other, do you pay it before *Ramadan*? Or do you pay after? Who're you including and who're you excluding? (HRM39, Resort A)

This typifies how HR actors sought legitimacy from their colleagues. By engaging with their networks, this HR manager not only ensured her decisions were consistent with those of other resorts belonging to the same parent company and with the majority of resorts in the organisational field, but could justify her actions to corporate headquarters.

Overall, the tactics presented in this section reflect the shareholder dominant paradigm that privileges short term shareholder value over longer term sustainability and stakeholder wellbeing.

Negotiating and reconciling with stakeholders

Faced with institutional pressure, HR managers often have to negotiate with two dominant categories of stakeholders: government or regulatory bodies and employees. Managers predominantly negotiate with employees in relation to the legislation on service charge benefit, overtime allowances and working hours. Service charge benefit is a variable component of resort workers' pay. It was introduced to the tourism industry in the Maldives by international hotel chains, and was soon adopted by local resorts. The amount and timing of service charge payments remained within the discretion of resort managements until the employment law came effect in 2008. The provision in the employment law concerning service charge requires at least 99% of the monthly service charge revenue to be distributed equally among all employees. Similarly, the Act requires all employees to receive a day off after six consecutive days of work, and they are not required to work more than 48 hours per week. If employees are made to work more than 48 hours per week, they are entitled to receive overtime allowances for the additional hours.

More than half of the resorts in the study (C, D, E and F) provided employees with a fixed amount as service charge in order to save on the amount resorts spend on employee service charge. For example, Resort A did not change its policy on employee working hours for some categories of employees (e.g. employees working in guest relations) after the law came into effect. They stated that employees would be at the losing end if management followed the new working hour requirements because changing the work schedule to comply with the law would cost them a fortune. Resort C also provided a fixed amount as overtime allowance for hours exceeding the 48 hours per week threshold. It did not regularly pay overtime or service charge to employees but tried other strategies to justify non-compliance. As a non-managerial employee pointed out:

It has been some time now since they stopped giving us overtime but they have increased our salary. But it was a very small increase. We were told that we would be better off with this arrangement. But we knew it was a trap (NME04, Resort C).

'Employees will be better off with our decision' is a common argument made by the managers negotiating with employees about employment law issues. This also exemplifies how management uses moral arguments to justify their actions despite their behaviour being driven by the business case. This tactic is particularly common when the parent company is in financial hardship, leading to employee cynicism about managers' justifications. For instance, employees in Resorts C and E were very unhappy about being paid a fixed service charge. In Resort E, one reason why employees went on strike in 2009 was management's non-compliance with legislative provisions about distributing service charges.

However, some categories of employees such as guest relations staff benefited financially from existing practices that contravene the provisions in the law. As a non-managerial employee explained:

Being a Mr. Friday means we are on duty 24/7, so we always have a guest to serve. If we work only eight hours, we are not assigned a guest next day. It would be a huge loss for us as our income depends on tips we receive from our guests (NME44, Resort A).

For these employees, working extra hours without an overtime allowance is worthwhile, as they depend on tips as a major source of income. These employees said very little about the

positive aspects of the legislation as most of the existing employment practices were more favourable to them than the minimum requirements of the law.

Some managers in resorts belonging to international hotel chains raised concerns that compliance with the law on employment agreements and job descriptions might lead resorts to deviate from their company-wide best practices. However, as the law sets out only very basic requirements, it is highly unlikely the resorts' practices would be inconsistent with the company practices as a result of complying with the legislation. Managers exaggerated the pressures on them to adopt parent company practices and the likely sanctions from HQ if they did not. TEAM executives claimed that international hotel chains acted as if they were superior to others, thereby influencing institutional requirements:

No law applies to them [international hotel chains] and nobody monitors what they do. They [international hotel chains] operate like small countries within the Maldives (EAM15).

Although rare, managers in long established local resorts also engaged in this kind of behaviour. For example, Resort B handed an employee handbook to every employee upon recruitment which included resort policies and procedures. However these were not consistent with employment legislation. Employees were instructed to strictly follow the handbook and were given the impression that the handbook was more important than laws and regulations.

Both local and international hotel chains also used macro-environment changes, which might affect the tourism industry, to seek government sympathy when they complained about the difficulty of complying with the law. A government official explained how resort managements used the Global Financial Crisis to try to avoid penalties for non-compliance:

Several resort managers tried to convince us that they found it difficult to comply with the law due to the global financial crisis which is slowing the tourism industry down. Their logic was simple: 'it is better for staff to retain their jobs rather than lose them because of the extra spending on our part to comply with the law' (GOO52).

HR actors in both local and international hotel chains used their personal relationships with the authorities to bend the 'rules of the game'. They also sometimes used practices that verged on corruption to bargain with the government. As a non-managerial employee of an international resort explained:

Last time we were on strike, the management told us that even if we stayed on strike for six months, nothing would happen as long as this government was in power. Even if a new government came in, the resort would be strong enough to continue what they were doing and nothing would happen to them because the resort had given money to the government's [election] campaign (NME25, Resort E).

Both local and international resorts had the capacity to bargain with the government because resorts bring foreign currency to the economy. Weak labour inspection and law enforcement mechanisms combined with a widely held perception that the government lacked commitment to the legislation, encouraged HR actors to bargain about the need to comply. Such tactics are encouraged by the government's readiness to water down

employment legislation to support employer interests, allowing business arguments to justify what would otherwise be breaches of the law. The findings presented here suggest that resorts which violated the law sometimes not only went unpunished but actually enjoyed special privileges through their social and political connections.

Besides bargaining with the government on an individual basis, resorts also used 'collective responses' to influence the legislative agenda. These responses were channelled through the employer association, Maldives Association of Tourism Industry (MATI), of which all resorts in the study were members. MATI lobbied the government during the drafting stage of the legislation to accommodate its concerns and proposed hundreds of amendments after it came into effect. Owners or directors represented resorts in MATI and MATI's board was dominated by local resort owners. Local resorts thus played a more pivotal role than international hotel chains in formulating a collective response to government policies, laws and regulations. Overall, these strategies indicate that resort managements were not only rule-takers but also rule-makers in respect of employment legislation.

Achieving legitimacy through establishing and maintaining reputation

Some resort managements appeared to accede to the legislation in order to build and maintain their reputation. For example, Resort A, which had a reputation for treating its employees well, was very particular about its image and how its HRM practices were perceived by external stakeholders. As the HR Director stated:

As a company, we certainly would not want to be exposed as not following the law. It gets us bad PR if we as a top resort are caught not paying the *Ramadan* bonus. We're quite law-abiding. You know we're quite proud of our reputation for looking after our hosts. (HRM39, Resort A)

This suggests that a lot of pressure to conform to the legislation stems from the need to gain legitimacy and government's power to impose sanctions. Several managers said they would go back to practices they had used before the law was implemented if not for the legal consequences that would likely follow. This suggests that resort managements do not want to risk their reputation in the short-term and their business in the long-term by not complying with the legislation because this would increase the risk of strikes and lawsuits.

Managers of Resort B, F and C were also very particular about the potential consequences for their resorts' reputations flowing from their decisions about employees:

When we cut employee salaries and put [distribution of] service charge on hold during the 2008 economic crisis, we didn't get defensive. We knew that being defensive would escalate the problem and get wide media coverage which would further damage the image of our resort and change the public perception of our company (LNM06, Resort C).

Approximately 60% of the employees of Resort C were from two inhabited islands belonging to the constituency represented in parliament by the owner of Resort C. Management therefore took care to include these employees in decision-making. However, when the resort was unable to please employees, or when it had to choose

between achieving external legitimacy and making employees happy, management chose to 'look good' to the external audience. They did this by 'spinning' the media or avoiding it:

The resort is good at spinning the media. This month we got our pay on the 17th [which was late] But did you hear any news about it? No media has reported it. They always talk about the generosity of our chairman (NME05, Resort C).

However, maintaining legitimacy in the eyes of external stakeholders in the long term appears to depend on establishing a good reputation with employees. For example, Resorts C and E had suffered from a poor reputation in the Maldivian labour market for the preceding few years due to relatively poor employment conditions and non-compliance with the law. When the service charge issue was taken up by a Trip Advisor forum in 2010, three resorts in this study (B, C and E) were included in a list of 'bad employers' who 'stole' from the service charge owed to their staffⁱⁱ. This 'naming and shaming' gave negative publicity as Trip Advisor is one of the primary sources of information potential guests use when choosing a holiday destination. As a result, these resorts found it difficult to attract and retain competent local employees. Most of the non-managerial employees we interviewed from these resorts said they wanted to leave the resort for better opportunities elsewhere:

I am here because it is closer to Male' [the capital of the Maldives] and I find it easy to travel to Male' to attend job interviews. To stay in Male' is expensive and I can't afford to be without a job for long (NME25, Resort E).

There have been several circumstances where pressure from employees made resort managements comply with the labour law. If resort managements did not comply with the law or failed to provide reasonable services to employees, employees generally made choices: either to leave the resort or stay and fight for their rights, primarily by organising employee strikes and petitions.

Several managers said they could not fully comply with the employment law for financial reasons. Several quotes presented previously corroborate this, indicating that strategic responses and HRM practices aim to reduce costs, which were always considered in HR decision-making, even when this risked legitimacy in the eyes of stakeholders. Managerial employees highlighted several legislative provisions that would increase resorts' operational costs. They include: (1) treatment of Friday as a public holiday; (2) overtime rates, especially for Friday and other public holidays; (3) working hour requirements; and granting an extra day in place of every public holiday falling during a period of leave.

[INSERT Table 4 HERE]

Discussion and conclusions

This study investigated, on the one hand, how employment legislation shaped HRM practices in resorts in the Maldives and, on the other, how HR actors in resorts crafted strategic choices to respond to the legislation. The study not only highlighted what HR actors and stakeholders do, but also why and under what conditions particular kinds of strategic responses emerge. Consistent with Najeeb (2014), the design, content and implementation challenges of the legislation provided high latitude for HR actors to craft

their responses to the legislation in a strategically, resulting in the large range of responses presented in Table 4. These responses are largely consistent with Oliver's (1991) categorisation as explained in the literature review. The analysis shows that HR actors applied a range of compliance tactics which were essentially window dressing: 'rational myths' that legitimated the organisation (Myer and Rowan, 1997). This lip service paid to implementing the legislation reflects Oliver's (1991) 'ritual conformity' or 'avoidance' strategy. In addition, lack of enforcement effectiveness resulted in the legislation having little constraining impact on most resorts.

Resistance to full implementation of the legislation demonstrates HR actors' ability to mobilise and deploy power resources (Ferner et al., 2012; Edward et al., 2013). The results of this study demonstrate a high level of interplay between HR actors and the institutional environment (the government) as well as between HR actors and employees in relation to institutional requirements. Because HR actors had room to manoeuvre, gambits of resistance and negotiation took place. HR actors derived bargaining resources from various sources to negotiate with stakeholders (predominantly employees and the government), including their dominant position in the economy (Gunningle et al., 2015); changes in the macro-environment (Parry and Tyson, 2009); their internal and external professional networks (Ferner et al., 2012); and, in the case of international hotel chains, their relational context (Edward et al., 2013; Tempel et al., 2006). Bargaining also took place in informal ways (Karuhunen, 2008), including kickbacks to government officials and pampering labour inspectors. This reflects the 'control' dimension of Oliver's (1991) typology. HR actors also lobbied the government in an effort to influence the content of the legislation, channelling their concerns and proposals through MATI. This reflects Scott's (2008) collective responses to institutional pressure, Oliver's (1991) 'influence' tactic, and Boon et al.'s (2009) and Paauwe's (2004) 'active development' construct. HR actors also negotiated with employees and tried to justify managerial action to employees when the organisation did not fully comply with legislation. This was because dissatisfied resort workers often made choices – either to leave the resort or organise strikes and petitions. One of the most common managerial arguments in favour of non-compliance was that managers were acting in employees' best interests (refer to Table 4). The role of HR actors in resorts therefore involved reconciling government and employee pressures with the needs of the organisation (Pulignano et al., 2013; Tyson, 1997).

Due to the complex nature of the legislation arising from design, content and implementation gaps, HR actors were heavily engaged in making sense of the legislation (Mayson and Barrett, 2017; Weick et al., 2005). They interpreted the legislation from managerial, cost reduction and organisational performance perspectives (van Gestel and Nyberg, 2009). However, their interpretations also revealed their interest in attaining legitimacy in the eyes of both employees and external stakeholders. Managerial interpretation of the legislation was primarily driven by business case and operational perspectives. In a competitive environment, some resort managements acted consistently with the traditional 'cost control' management style prevalent in the industry (Gunnigle et al., 2015; Head and Lucas, 2004; Lucas, 2002). Accordingly, some HR actors pushed the boundaries of the legislation in order to avoid complying with provisions they felt would harm business efficiency (Pratten and Lovatt, 2005). This led to deliberate exploitation of loopholes in the legislation and placed employees at the periphery of HR decision-making. The finding is consistent with Heed and Lucas's (2004, p.335) concept of 'determined managerial opportunism', that is, managers' deliberate attempts to exploit the law or interpret it to their advantage. However, HR actors tried to show that they acted in

accordance with the letter of the legislation, if not its spirit (Head and Lucas, 2004; Harcourt et al., 2010).

The study shows that HR actors engaged in a political process with the government and employees based on, in Birkinshaw and Fry's (1998, p.52) terms, "proactive, pushy, and sometimes Machiavellian tactics". However, there was no evidence of HR actors exercising full-blown defiance of the employment legislation. It was always circumvented in subtle and covert ways. Most strategic responses comprised passive resistance such as decoupling (conceal and buffer) rather than active resistance. There are three explanations for this. First, organizations are often faced with conflicting demands to reduce cost and attain legitimacy and Oliver (1991) suggests that decoupling is the likely response in such situations. Second, most organisations implement practices similar to the requirements of the employment legislation well before it comes into force, especially when it accords with their existing practices. Resistance to regulatory demands is strongest when organisations perceive the imposed rules as alien or harmful to them (Ferner et al., 2012; Edward et al., 2013). Third, resort managements cannot overtly defy government requirements because they need to continue to be part of the Maldivian tourism industry.

The study shows that strategic responses were driven by the quest for legitimacy, for efficiency, or sometimes both. HR actors seemed to be seeking legitimacy in the eyes of both employees (key internal stakeholders) and external stakeholders. However, when forced to choose, HR actors preferred 'looking good' to 'acting good' (Kennedy and Fiss, 2009). Although resort managements want to be viewed as fair employers, consideration of costs and political influence led them to risk legitimacy in the eyes of stakeholders. HR actors were happy to comply with provisions that aligned with their best practices, lending support to Goodstein's (1994) and Oliver's (1991) hypothesis that organisations are more inclined to conform to institutional pressures when they perceive that conformity is consistent with their organisational goals. Moreover, while HR actors tried to comply with the legislation for the sake of legitimacy, they also used the legislation to legitimise some HR decisions such as terminations or promotion. Our findings thus support the argument that the institutional environment can be both a constraining and an enabling force (Barley and Tolbert, 1997).

The study highlights the effect of employment legislation on some HR practices including, as Table 4 illustrates, recruitment, compensation and benefits, flexible work practices, employment contracts and job descriptions, performance appraisals, and disciplinary and grievance procedures. These practices are enacted or reshaped as a response or as a result of responses to the legislation.

As Table 4 illustrates, there was not much difference between resorts in terms of their strategic responses to the legislation and the HRM practices they adopted. The findings thus support the basic assumption of institutional theory that organisations in a similar environment will respond to institutional pressures similarly and adopt similar HRM practices (DiMaggio and Powell, 1983). One plausible explanation for this similarity could be the use of HR actors' social and professional networks when responding to the legislation. Investigation of other mimetic and normative mechanisms may provide further explanations. However, the study also highlights that international hotel chains serving high-end markets (market orientation) and which have progressive HRM practices were more inclined to comply with legislation than other resorts.

Implications, limitations and directions for future research

The study has four practical implications. First, for policy makers, it demonstrates the ways managers can make choices within the constraints of employment legislation. Although the law imposes certain constraints on managers, they seek to exploit the loopholes in the legislation and circumvent the law as they see fit (Heed and Lucas, 2004). Policy makers need to address the gaps in the legislation (Najeeb, 2014), and achieve more simplicity and clarity in the law if they wish to achieve their reform objectives. Clearer, more explicit employment rights may encourage longer term cooperation and continuity in the workplace, even if this is at the expense of managerial power (Harcourt et al., 2010). Similar to the case of anti-discrimination legislation in New Zealand (Harcourt et al., 2010), our study points to widespread non-compliance with the law. This highlights the difficulty of securing employee rights through individually orientated employment legislation if monitoring and enforcement mechanisms are weak (Harcourt et al., 2010). The noncompliance we found in this study reveals the limitations of legislation in countries with a ‘broad brush’ approach to legislation.

Second, the findings highlighted that HR actors preferred ‘appearing to be good’ in the eyes of external stakeholders to pleasing their employees. Given the tight local labour market conditions (Najeeb, 2013) and the high incidence of employee turnover and protest action in resorts, managers need to understand that achieving legitimacy in the eyes of employees and external legitimacy (in the eyes of other stakeholders) is not an either-or choice, but should be seen as simultaneous goals (Collings and Dick, 2011).

Third, the study showed decoupling to be the resorts’ dominant strategic response to legislation. Decoupling is often referred to as organisational hypocrisy (Krasner, 1991) and it can lead to cynicism among employees and external stakeholders. Employees were aware of managers’ decoupling behaviour. All this suggests that continuing with excessive decoupling or cynical behaviour could bring pathological consequences such as employee distrust towards management (Han and Koo, 2010).

Fourth, the findings showed that different categories of resort workers felt differently about the impact of the legislation. For instance, core workers (employees working in guest relations) in some resorts saw few positives in the legislation as they currently enjoyed better benefits than their non-core colleagues. Pressure to comply with the legislation came primarily from non-core workers. Lengnick-Hall et al. (2009, p.76) suggest that it is important “to consider both political aspects of HRM implementation and the perception of HR priorities and expertise by different groups within the organisation”. Therefore, when designing and implementing HRM practices in response to employment legislation, HR actors need to take the views of both worker cohorts into account.

A limitation of this study was its focus on one industrial sector and to a particular piece of legislation. Nevertheless, it demonstrates the complexity of the relationship between institutional context and HRM. Future research could focus on other institutional environments and industries to explore different configurations of relationships between macro (institutional) and micro (organisational) factors. To gain a clearer picture of the impact of institutional context on organisational HRM practices in a given field, future research could also consider DiMaggio and Powell’s (1983) three institutional mechanisms: coercive, normative and mimetic. While legislation is viewed as a key institutional force in this study, other contextual aspects such as local cultural norms, stakeholder pressure, existing relationships, reputational concerns, possible risks that arise

from certain choices are only minimally highlighted. Future research could analyse in more depth how these factors affect strategic choices. This study suggests that the enactment of HR practices via interactions between the institutional environment and HR actors is an ongoing process rather than a one-off event (Edward et al., 2013; Tempel et al., 2006). Future research could use a longitudinal approach and concepts such as sensemaking and embeddedness to explore HRM changes over time.

Overall, this study shows that responding to employment legislation entails a high level of interplay between the institutional environment and HR actors, and between stakeholders (e.g. employees) and HR actors. It demonstrates the difficulty of reconciling institutional requirements with the preferences of different stakeholders and organisational interests (Gunningle et al., 2015; Rupidara and McGraw, 2011). HR actors actively make sense of institutional requirements and modify HRM practices to accommodate stakeholders' varying perspectives and preferences. This suggests that in countries such as the Maldives, uneven institutional coverage (e.g. incomplete employment legislation) allows room for organisations to innovate – for better or worse.

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ⁱ Chapter 4 of the legislation consists of employment agreement, working hours, work ethics, dismissal, leave entitlement and remuneration clauses as well as provision on seeking legal redress for employment matters.

ⁱⁱ The link to the discussion on the trip advisor is http://www.tripadvisor.co.uk/ShowTopic-g293953-i7445-k3462287-10_Service_charge_update-Maldives.html

Table 1. A continuum of strategic responses to institutional pressures

	<i>Strategies</i>	<i>Tactics</i>	<i>Examples</i>
Level of active resistance to institutional pressures	Acquiesce	Habit	Following visible, taken-for-granted norms
		Imitate	Mimicking institutional models
		Compliance	Obedying rules and acceptance norms
	Compromise	Balance	Balancing the expectations of the multiple constituents
		Pacify	Placating and accommodating and accommodating institutional elements
		Bargain	Negotiations with institutional stakeholders
	Avoid	Conceal	Disguising non-conformity
		Buffer	Loosening institutional attachment
		Escape	Changing goals, activities and domains
High	Defy	Dismiss	Ignoring explicit norms and values
		Challenge	Contesting rules and requirements
		Attack	Assaulting the sources of institutional pressure
	Manipulate	Co-opt	Importing institutional constituents
		Influence	Shaping value and criteria
		Control	Dominating institutional constituents and processes

Source: Oliver (1991, p.152)

Table 2: The structural profile of the resorts

<i>Characteristics</i>	<i>Resorts</i>						
	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>	<i>E</i>	<i>F</i>	<i>G</i>
<i>Size</i>							
Number of employees	380	560	985	318	302	285	216
Number of rooms	65	225	426	125	148	75	44
<i>Age</i>	16	39	13	17	30	38	32
<i>Ownership</i>							
Local resorts		√	√	√		√	
International hotel chain	√				√		√
<i>Target market/level of service</i>							
High-end	√			√		√	√
High-end & middle-level		√	√		√		
Middle-level							
Perceived star ranking*	5	4	4	5	4	5	5

* There is no official star ranking for resorts

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Table 3: Number of interviews with participants

<i>Participants</i>	<i>Pseudonyms</i>	<i>Number</i>
Senior managers	SNM	7
Line managers	LMN	7
HR managers	HRM	7
Non-managerial employees	NME	28
Government officials	GOO	4
Industry experts	INE	2
Tourism Employee Association (TEAM) executives	EAM	2
Total		57

Table 4. HR strategic responses to the employment legislation

<i>Strategies</i>	<i>Tactics</i>	<i>Case examples</i>	<i>Resort</i>
Acquiesce	Habit	Nil	Nil
	Imitate	Speak with other resorts that belong to the same parent company and adopt a similar position	A, F&G
		Revise employment contracts, policies and procedures as required by law	All
		Hire retainer lawyers	All
		Hire HR managers proficient in employment laws	A&G
		Assign the role of compliance to the legislation to the HR department	F
		Conduct employee awareness programs on the legislation	B, C & F
	Compliance	Integrate employee awareness program into employee orientation programs	C
		Integrate the law into the resort's relevant operating procedures	A
		Consider meeting statutory compliance as a business objective	E
Compromise		Allow government agencies to carryout periodic audits	All
		Document all dealings with employees	All
		Refer to the legislation in all relevant decisions and dealings	All
	Balance	Negotiate with employees and justify organisational position (course of actions) in cases of non-compliance	All except G
	Pacify	Comply with the provisions in the legislation that are consistent with the business interests and ignore others	All
	Bargain	Raise the issue with the government that the compliance to the law means deviation from the company-wide best practices	G
		Use changes in macro-environment (global economic or financial crisis) to seek government sympathy for non-compliance	All
		Employees are made to work reduced hours in Fridays without paying them the prescribed pay by the law	B, C, D&E
		Provide written contracts but include clauses which give advantages to the management	B, C, D&E
	Conceal	Provide job descriptions without detailed specifications of expectations and requirements	B, C, D&E
Avoid		Provide an employee handbook with some policies inconsistent with the legislation and ask employees to follow it to the fullest	B
		Annual leaves and off days are provided to employees are not based on their preference in terms of timing	All
		Provide service charge and overtime in accordance with the law at the initial stage and later on continued the previous practice	C
		In inspector visits, the management show them everything is in accordance with the law but reverts back as soon as they leave	B, C, D, E&F
	Buffer	Entertain and pamper labour inspectors in order to influence their perception of resort's compliance	All
		Performance appraisal, disciplinary and grievance procedures to justify managerial actions such as employee termination in the Tribunal	B, C, D, E&F
	Escape	Nil	Nil
		Consider some provisions of the law as irrelevant to the industry due to the gap between them and practices	All
	Dismiss	Consider that the government does not have the resources, commitment and willingness to enforce the legislation	All
	Defy	Ignore the provisions on SC and working hours and continue offering employees fixed amount for SC and overtime allowance	All except G
Manipulate	Challenge	Nil	Nil
	Attack	Nil	Nil
	Co-opt	Nil	Nil
	Influence	Lobby the government through MATI and propose hundreds of amendments to the legislation	Nil
			All